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TAGS: [EAID](#) [USAID](#) [PREL](#) [PGOV](#) [ID](#)
SUBJECT: An Opportunity to Finalize Peace Corps Agreement with Indonesia

¶11. (SBU) We have an opportunity to advance U.S.-Indonesian relations by completing a Peace Corps agreement in time for a joint announcement by President Obama and President Yudhoyono at the APEC Summit in Singapore this week. There is only one remaining issue left preventing an agreement. It can be resolved by granting Peace Corps Director Aaron Williams' request that the State Department issue Official Passports to Peace Corps Volunteers assigned to Indonesia. This is a reasonable and necessary final step for Peace Corps to establish a long overdue program in Indonesia.

¶12. (SBU) Indonesia's laws and regulations do not accommodate U.S.-funded persons to reside and work in Indonesia with non-official passports. Non-official passport holders are subject to visa, tax and other administrative requirements that would place an undue burden on Peace Corps and prevent it from developing a robust program in Indonesia. For example, Volunteers would be subject to visa fees and limited durations of stay that would require Peace Corps to fund Volunteer travel outside of Indonesia for visa renewals to complete their service. The costs and administrative burdens would restrain Peace Corps ability to grow in Indonesia beyond a modest size. But a country the size of Indonesia requires a Peace Corps program of a much grander scale.

¶13. (SBU) The Japanese International Cooperation Agency (JICA), an organization comparable to Peace Corps, faced the same problem with its Volunteers. JICA solved it by making an exception to issue Official Passports to Volunteers assigned to Indonesia. JICA realized that that issuing Official Passports was the only affordable means to operate effectively in Indonesia. We are not asking that Official Passports be issued to Volunteers in every Peace Corps country. However, we know from the experience of the Japanese that it is appropriate, and effective, in Indonesia.

¶14. (SBU) Unfortunately, the initial determination from Consular Affairs was to disallow Peace Corps request, arguing that Department regulations only allow issuance of Official Passports to USG officials and employees. However, under the Peace Corps Act, Volunteers are considered federal employees for numerous legal purposes. Volunteers receive federal pension benefits, federal health care, and federal compensation in the form of a readjustment allowance. Volunteers also take an oath of loyalty to the U.S. Government and are treated as federal employees by our embassies. When Peace Corps was founded, it was appropriate to maintain distinctions, some more symbolic than others, between Volunteers and Official Americans. However, times have changed and issuing Official Passports does not change the role or function of the Volunteer.

¶15. (SBU) If this final issue is positively addressed, we can complete an agreement that will allow Peace Corps, over time, to develop an appropriately sized program for the world's third largest democracy and largest Muslim-majority country. If the Peace Corps can deliver good news to the Indonesians during negotiations this week, it will also be possible to complete this agreement in time to be announced by both presidents at the APEC Summit. An announcement

that Peace Corps would return to Indonesia after a 40 year absence would deepen the impact of President Obama's upcoming bilateral with President Yudhoyono. And while there are no confirmed plans for President Obama to visit Indonesia, President Yudhoyono has invited him to visit next year and an established Peace Corps program could be a highlight of that trip.

HUME